

MTN dominance forces Africell to exit Uganda operations

Africell said on Tuesday it was ending operations in Uganda where it has faced tough competition from the local units of African telecom firms MTN and Bharti Airtel.



Logo of Africell telecoms is seen along Rawdon street in the city centre, in Freetown, Sierra Leone 19 August 2017. Reuters/Afolabi Sotunde

With operations in the Democratic Republic of Congo, Gambia and Sierra Leone, Africell entered the Ugandan market in 2014 after acquiring the local operations of France's Orange.

But it has struggled to expand against South Africa's MTN, which has the largest number of subscribers in the East African country at more than ten million, and India's Bharti Airtel.

"Africell will end operations in Uganda on 7 October 2021," the firm said in a statement, adding that its decision was "based on a careful assessment of the long-term commercial outlook for the business" and how Uganda fitted within its strategy of driving digital transformation.

Continent-wide it has 12 million and is planning to launch operations in Angola by the end of this year, Sam Williams, the firm's communications director told *Reuters*.

The news is likely to benefit MTN which is preparing for an IPO in which it intends to sell 20% of its shares to the public.

The government last year mandated all the telecom firms in the country to list at least 20% of their shares as a way to allow its citizens to share a slice of profits.

Slowing growth in recent years, exacerbated by the effects of Covid-19 has trimmed the east African country's economic prospects and led to a steady exodus of foreign firms, including supermarket chains from South Africa and neighbouring Kenya.

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